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DOES THE UNITED STATES COAST
GUARD NEED SUPPLY DEPOTS?
by
LCDR Ira E. Thompson, USCG

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DOES THE UNITED STATES COAST GUARD NEED SUPPLY DEPOTS?

By

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//
Bachelor of Science

United States Coast Guard Academy, 1955

A Thesis Submitted to the School of Government and Business
Administration of The George Washington University in
partial fulfillment of the requirements for the
degree of Master of Business Administration

April 30, 1966

Thesis approved by

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If a man does not keep pace with
his companions perhaps it is
because he hears a different
drummer. Let him step to the
music which he hears, however
measured or far away.

Henry David Thoreau

PREFACE

The idea of conducting this study first came to me about a year ago. I was serving as Chief, Supply Branch, Ninth Coast Guard District, Cleveland, Ohio and was just completing an evaluation of the Coast Guard Supply Depot located at Great Lakes, Illinois. That depot served both the Ninth Coast Guard District and the Second Coast Guard District. The purpose of the evaluation was to make recommendations as to the future of the supply depot--whether to close it or continue to operate it.

During the course of the evaluation it became apparent that some areas of duplication existed. To maintain an acceptable level of support was it necessary to continue the duplication? In the case of the supply depot at Great Lakes the determination was made to close it and obtain support from other sources.

If duplication existed at one supply depot, could it also exist at others or was the supply depot at Great Lakes a special instance? Therefore, I have undertaken this study in an attempt to: 1) determine if the Coast Guard supply system as a whole is subject to similar areas of duplication; 2) suggest possible alternate methods of supporting Coast Guard units and; 3) give some indication of the costs under present operation and under proposed operations.

It is impossible to list individually all of the people who have contributed time and energy to the study, but I should

like specifically to acknowledge the excellent cooperation extended by the Commanding Officer ro the Officer-in-Charge of the units which participated in the surveys. Without their cooperation and support the material for much of this study would not have been available.

The interpretations and opinions are mine and should not be considered as official United States Coast Guard statements.

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CHAPTER I

THE UNITED STATES COAST GUARD SUPPLY SYSTEM--

AN OVERVIEW

The System

By law, the United States Coast Guard¹ is charged with many and varied responsibilities. These include being one of the armed services of the United States, law enforcement, inspection of merchant vessels and licensing of merchant seamen, maintaining all types of aids-to-navigation, search and rescue, and others. The Coast Guard operates primarily within the continental limits of the United States and adjacent waters, but also has units scattered throughout other parts of the world. The nature of the Coast Guard's work dictates many small units (land, sea and air), with a few large units where practicable. Another requirement imposed by the nature of the work is that many of these installations be located remote from centers of population.

The focal point of this decentralized, world-wide organization is Coast Guard Headquarters located in Washington, D. C. The administration and operation of these many individual units are controlled through twelve geographical commands called "districts." A few specialized units report directly to

¹Referred to hereafter as the Coast Guard.

Headquarters and are appropriately called "Headquarters Units." Each district has a central headquarters office with components similar to Headquarters in Washington, D. C.

To support this organization, the Coast Guard operates a supply system under the following general principles:

. . . a. Supply support must be integrated with operational programs originating in Headquarters offices from which are developed specific material programs by the responsible Coast Guard office. b. Supply support tailored to meet the peculiar demands of specific material programs creates the necessity for a supply system composed of several material segments. c. Each segment of the Coast Guard integrated supply system has its own material manager who is responsible for providing all elements of supply support required for the programs assigned to his segment. d. All segments of the Coast Guard integrated supply system are under the coordination and direction of a single Coast Guard office to avoid duplication of authority, responsibility, and functions.²

At Headquarters

. . . The Office of the Comptroller has staff responsibility for logistics of the Service that involve the maintenance of accounts, the disbursement of funds, the audit and examination of accounts, the provision of data processing, and the sufficiency of the supply program including the procurement, storage, and distribution of equipment, supplies, and services.³

In the performance of these charges the Comptroller is assisted by his personnel staff and the organizational staff components for accounting, internal auditing, pay and vouchering, data processing and supply operations.

²U. S., Treasury Department, Coast Guard, Comptroller Manual (CG-264), Volume 3, Supply General (amendments 1-38 entered), 1952, paragraph 0301001.4. Cited hereafter as Volume 3.

³U. S., Treasury Department, Coast Guard, Organization Manual (CG-229), (amendments 1-5 entered), 1962, page 2-3. Cited hereafter as Organization Manual.

The Comptroller's personal staff prepares and supervises preparation of mobilization plans for all phases of supply and fiscal matters at Headquarters and district levels; develops methods for maintaining perpetual stock records, taking of physical inventories, and maintaining central inventory records; and maintains liaison with the Navy Department and other government agencies for supply matters.⁴ The liaison with the Navy Department on supply matters is of special importance since the Coast Guard operates as a service within the Navy Department during times of war or as directed by the President of the United States.⁵

While the Comptroller's personal staff is developing plans and procedures, the organizational staff component, Supply Division (FS), is administering the supply system and performing the duties of Inventory Control Officer for the Coast Guard.

These duties include:

. . . a. The preparation and distribution of Coast Guard Stock and Price Lists (less those specifically delegated to inventory control points) and specifications for Coast Guard materials; initiating or reviewing all additions, deletions or other changes therein and in this connection, developing adequate identification and classification of materials, accurate stock nomenclature, and standardization and interchangeability of parts and equipment; supervision over stock and price issuances by Coast Guard inventory control points.

b. The continuous centralized analysis of detailed data concerning inventory status, requirements, and procurements; the determination of requirements; and the notification of procurement activities of approved requirements.⁶

⁴Ibid., 2-29.

⁵United States Code Annotated, Title 14, Section 3.

⁶Organization Manual, p. 2-39.

In summarizing the role of the Office of the Comptroller you find his personal staff responsible for planning and publishing procedures and the organizational staff component responsible for implementing those plans and getting the goods and services where needed, when needed. These two groups must continually be aware of each other's work in order to keep an adequate peacetime posture with the ability to shift into operation as a part of the Navy Department as mentioned earlier.

Below Headquarters level the supply system splits into two parts: 1) the Supply Center, Brooklyn, New York, reporting directly to Headquarters and; 2) the districts, some with supply depots and some without supply depots. The Supply Branch, under the district comptroller, supervises the operation of the district supply depot. In those districts without a supply depot, the Supply Branch performs paper processing necessary to obtain supplies for the units in the district. To insure uniform compliance, the district interprets Headquarters instructions for the field units.⁷

The Supply Center Brooklyn provides bulk and ready issue supply support direct to certain units and to supply depots; performs shipment and transshipment functions; performs specified logistical services as directed by Headquarters.⁸ Essentially the Supply Center Brooklyn functions as a "wholesaler" to the district supply depots, and as a "retailer" of

⁷Organization Manual, p. 3-24.

⁸Volume 3, paragraph 3A02003.3.

Coast Guard cognizance items to units in the second, third and ninth districts.

The district supply depots perform the "retail" function for both Coast Guard cognizance and other items. The operation of supply depots will be explored further in a later chapter.

The remaining class of Coast Guard units concerned with general supply support is the Coast Guard base. Some of the bases provide support for aids-to-navigation materials to units in their work area. They also stock sufficient materials for their own operation unless located near a Coast Guard supply depot.

In addition to Coast Guard units providing supply support, activities of other government departments and agencies contribute to a greater or lesser extent depending on the district and the way in which it operates. These sources of supply and how they fit into the overall Coast Guard picture is discussed in later chapters.

The Policy Under Which Coast Guard Supply Depots Operate

There are many operating instructions, guidelines, and procedures published by Headquarters and district offices to guide the operation of supply depots. But, underlying all of these, there appears to be one basic policy that really determines the scope of operation of a supply depot. This policy is subject to interpretation by each district and influenced by geographical constraints. Subject to three qualifications, the policy is that Coast Guard supply depots will not stock items

that are stocked in the General Services Administration, Defense Supply Agency and Navy supply systems. The qualifications permitting duplicate stocking of items are: 1) that the item is continually not available through standard requisitioning procedures from any of the three other systems; 2) that the unit of issue of the item from the other three systems is inconsistent with Coast Guard end user needs and; 3) that the price from the other three systems is consistently significantly higher than from commercial sources.⁹

Thus, two supply depots in different districts, but with similar operating conditions, could stock very differing numbers of line items. Headquarters does exercise some control over the items added to the system, but experience of the writer leaves the impression that it is more or less a "rubber stamp" action of the district recommendations.

Standards for Delivery Times

Here, as in the above section, a basic policy is published, but there seems to be a tendency on the part of supply depots to strive to provide support in a much shorter time frame, whether the units require this extra bit of supply support or not.¹⁰ For routine replenishment, thirty days has been established as the acceptable delivery time frame.¹¹ Of course, then the urgency of requirements is greater, the acceptable time

⁹Volume 3, paragraph 3A03001.1.

¹⁰Survey reported in Appendix III.

¹¹Volume 3, paragraph 3B22003.

frame of delivery is shorter. For routine replenishment, this means that material should be delivered to the unit within thirty days after submission of the requisition. A target of other than one hundred per cent achievement is not indicated in the policy. The Department of Defense and General Services Administration have the same time frames for delivery standards. A limited study of delivery times in one district showed that all sources of supply failed to achieve the eighty per cent mark overall.¹² The results of a more recent survey in the same district are shown in Table 1 and show slight different results.

Summary

Figure 1 should be helpful in visualizing the Coast Guard organization.

¹² Study reported in Appendix I.

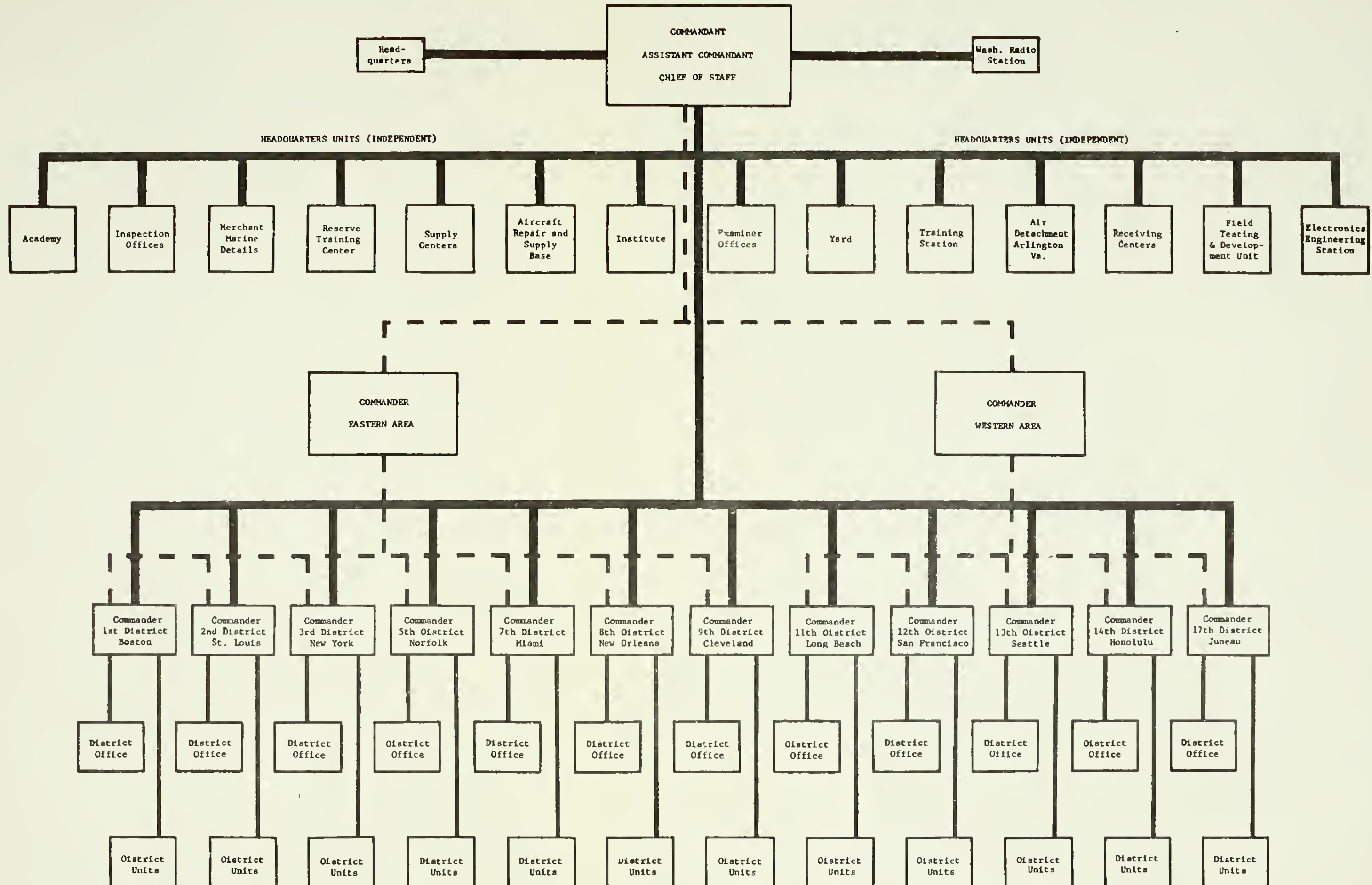
TABLE 1

NUMBER OF REQUISITIONS SUBMITTED TO AND COMPLETED
BY VARIOUS SUPPLY ACTIVITIES WITHIN 30 DAYS

Supply Activity	#Req'n Submitted	#Req'n Received	Per cent Received
<u>Coast Guard</u>			
Supply Center Brooklyn	610	67	11
<u>General Services Administration</u>			
New York (Region 2)	258	230	89
Chicago (Region 5)	7216	6116	85
Kansas City (Region 6)	87	18	21
GSA Total	7561	6354	84
<u>Defense Supply Agency/Navy</u>			
NBZ	215	76	35
S9T	416	317	76
S9G	346	193	56
S9C	351	205	58
S9I	503	344	68
S9E	39	22	56
S9M	9	6	67
DSA/Navy Total	1879	1163	62

Note: This information from a survey conducted by Ninth Coast Guard District during February and March 1966 and is for General Stores items only.

FIGURE 1--COAST GUARD ORGANIZATION



Normal Channel of Control.

Special channel for control of operational matters (Primarily rescue and assistance) requiring positive action to coordinate forces of more than one district

CHAPTER II

DEMANDS PLACED ON THE DISTRICT SUPPLY SYSTEM AND HOW THEY ARE MET

Responsibility for providing supply support to Coast Guard units lies primarily with the district in which the unit is located. The district must arrange for support within the policy published by Headquarters and with the means at its disposal. Some districts operate a Coast Guard Supply depot and others rely primarily on sources external to the Coast Guard. To have a better understanding of what the demands are and how they are met, background on who the demanders are should be helpful.

Who are the Demanders?

All Coast Guard units can be classified, in finance and supply terms, as either a sub-allotment unit or an allocation unit.

For the purposes of this paper, the sub-allotment unit may be defined as one having a finance and supply officer assigned and who maintains their own financial accounting records. They are permitted more latitude in selecting their source of supply and usually submit their requisitions for material directly to the supplying activity. Generally speaking, sub-allotment units do not obtain support from Coast Guard supply depots for other than Coast Guard cognizance items. The extent

of the supply depot's workload caused by sub-allotment units is shown in Table 5. The sub-allotment unit is usually large in number of personnel assigned, and has personnel other than the finance and supply officer trained in supply procedures.

The allocation unit, on the other hand, does not have a finance and supply officer assigned, but in some cases does have personnel trained in supply procedures. The allocation unit maintains only memorandum accounting records, with the official financial accounting records maintained by the district office or supply depot. The allocation unit is also typified by being small, with few personnel assigned. With few exceptions¹ allocation units must submit all requisitions for supplies to a central point in the district for screening and editing purposes. The central screening point is usually the supply depot or when there is none, the district office.

The allocation units are far more numerous than sub-allotment units and in the aggregate cause most of the work for the district supply system.

So it is seen that the demanders are typically small allocation units without personnel trained in supply procedures. Over the years this lack of trained personnel at allocation units has had considerable impact on the way the Coast Guard supply system operates.

Type of Demands

Demands on the supply system can be looked at in several

¹See survey reported in Appendix II.

ways. One is the administrative aspect for the unit ordering supplies--item identification, making the needs known and accounting for the materials ordered. A second is the kinds of materials required. And a third is the actual physical movement of materials--the quantities, the source from which available and the shipment to the unit.

Looking first at the administrative aspects of demands, you see the problems created by not having trained supply people at allocation units. These problems develop from the requirements that standard materials be ordered from government sources, when stocked.

That last phrase, "when stocked," is the heart of this problem. How does the unit know when something is stocked? The same way that the housewife knows if she can buy something from Sears, Roebuck and Company--by looking in the catalog. As long as the catalog is easy to use and gives a clear presentation of the items there are no problems. But, in the past such has not always been true. The catalogs available to the allocation unit became cumbersome and voluminous, and beyond the training of the personnel assigned. In Department of Defense and Navy catalogs, the use of pictures was replaced by very limited word and stock number description. The Coast Guard catalog continued the use of picture description but did not cover the majority of materials required by the allocation unit.

The unit is also faced with making its needs known to the supplying activity. In the Coast Guard this is done by submitting a requisition. Historically, the requisition consisted

of a form filled in by the unit describing the materials desired. Each form permitted the entry of several items which were described in fairly plain language. The most complicated part of the description was the stock number, but since a word description was also included errors in the stock number were not devastating. See Figure 2 for example.

But, then in 1960, this began to come to an end. Requisitions were changed from a multi item format to a single line item to the requisition concept. In some respects this made little difference since most of the information entered was in plain language. It did involve some increase in work because each line item ordered required data to identify requisitioner, supplier, funds and priority. But this was partially offset by greater ease in accounting for materials received and filing the documents. Then in 1962 the Department of Defense introduced the MILitary STandard Requisition--Invoice Procedures (MILSTRIP). The Coast Guard and General Services Administration accepted those procedures and adapted their operations as necessary.

The MILSTRIP, as the new requisition was called, continued the single line item to a requisition concept, but it also added some new twists. MILSTRIP was designed to be used with automatic data processing equipment and therefore employed the extensive use of alpha, numeric, and alpha-numeric codes. See Figure 3 for an example. No longer could the untrained person without aid of decoders pick up a requisition and see what he had ordered, from whom, when he had ordered it and when it could be expected.

FIGURE 2 REQUISITION FORM USED BEFORE 1960

SHIPPING CONTAINER TALLY → 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50									
REQUISITION AND INVOICE/SHIPPING DOCUMENT									
1. FSS		2. T O		3. H A T I E T O E		4. APPROPRIATION SYMBOL AND SUB-HEAD		5. EXPENDITURE ACCOUNT (To)	
6. USCGC AURORA (WPC - 103)		7. DATE MATERIAL REQUIRED		8. AUTHORITY OR PURPOSE		9. CHARGEABLE ACTIVITY		10. BUREAU CONTROL ACTIVITY NO.	
11. REQUISITION NUMBER		12. DATE SHIPPED		13. MODE OF SHIPMENT		14. BILL OF LADING NUMBER		15. VOUCHER NUMBER AND DATE	
16. USCGC AURORA (WPC - 103)		17. DATE SHIPPED		18. MODE OF SHIPMENT		19. BILL OF LADING NUMBER		20. VOUCHER NUMBER AND DATE	
21. USCGC AURORA (WPC - 103)		22. DATE SHIPPED		23. MODE OF SHIPMENT		24. BILL OF LADING NUMBER		25. VOUCHER NUMBER AND DATE	
26. USCGC AURORA (WPC - 103)		27. DATE SHIPPED		28. MODE OF SHIPMENT		29. BILL OF LADING NUMBER		30. VOUCHER NUMBER AND DATE	
29. USCGC AURORA (WPC - 103)		30. DATE SHIPPED		31. MODE OF SHIPMENT		32. BILL OF LADING NUMBER		33. VOUCHER NUMBER AND DATE	
34. USCGC AURORA (WPC - 103)		35. DATE SHIPPED		36. MODE OF SHIPMENT		37. BILL OF LADING NUMBER		38. VOUCHER NUMBER AND DATE	
39. USCGC AURORA (WPC - 103)		40. DATE SHIPPED		41. MODE OF SHIPMENT		42. BILL OF LADING NUMBER		43. VOUCHER NUMBER AND DATE	
44. USCGC AURORA (WPC - 103)		45. DATE SHIPPED		46. MODE OF SHIPMENT		47. BILL OF LADING NUMBER		48. VOUCHER NUMBER AND DATE	
49. USCGC AURORA (WPC - 103)		50. DATE SHIPPED		51. MODE OF SHIPMENT		52. BILL OF LADING NUMBER		53. VOUCHER NUMBER AND DATE	
54. USCGC AURORA (WPC - 103)		55. DATE SHIPPED		56. MODE OF SHIPMENT		57. BILL OF LADING NUMBER		58. VOUCHER NUMBER AND DATE	
59. USCGC AURORA (WPC - 103)		60. DATE SHIPPED		61. MODE OF SHIPMENT		62. BILL OF LADING NUMBER		63. VOUCHER NUMBER AND DATE	
64. USCGC AURORA (WPC - 103)		65. DATE SHIPPED		66. MODE OF SHIPMENT		67. BILL OF LADING NUMBER		68. VOUCHER NUMBER AND DATE	
69. USCGC AURORA (WPC - 103)		70. DATE SHIPPED		71. MODE OF SHIPMENT		72. BILL OF LADING NUMBER		73. VOUCHER NUMBER AND DATE	
74. USCGC AURORA (WPC - 103)		75. DATE SHIPPED		76. MODE OF SHIPMENT		77. BILL OF LADING NUMBER		78. VOUCHER NUMBER AND DATE	
79. USCGC AURORA (WPC - 103)		80. DATE SHIPPED		81. MODE OF SHIPMENT		82. BILL OF LADING NUMBER		83. VOUCHER NUMBER AND DATE	
84. USCGC AURORA (WPC - 103)		85. DATE SHIPPED		86. MODE OF SHIPMENT		87. BILL OF LADING NUMBER		88. VOUCHER NUMBER AND DATE	
89. USCGC AURORA (WPC - 103)		90. DATE SHIPPED		91. MODE OF SHIPMENT		92. BILL OF LADING NUMBER		93. VOUCHER NUMBER AND DATE	
94. USCGC AURORA (WPC - 103)		95. DATE SHIPPED		96. MODE OF SHIPMENT		97. BILL OF LADING NUMBER		98. VOUCHER NUMBER AND DATE	
99. USCGC AURORA (WPC - 103)		100. DATE SHIPPED		101. MODE OF SHIPMENT		102. BILL OF LADING NUMBER		103. VOUCHER NUMBER AND DATE	
20X0201 OE COAST GUARD 19590801		UNIT ISSUE		QUANTITY REQUESTED		SUPPLY ACTION		CON- TAINER NOS.	
1 FSS 7520-162-7124 RACK, RUBBER STAMP TWO WHEEL		EA		1		1.15			
2 FSS 7520-224-7589 PERFORATOR, PAPER DESK		EA		1		1.10			
3 FSS 7520-271-8892 PUNCH, PAPER HAND		EA		1		DEC			
4 FSS 7520-281-5935 RACK, DISTRIBUTOR, DESK		EA		1		5.40			
17. RECAPITULATION OF SHIPMENT		TOTAL CONTAINERS		TOTAL WEIGHT		TOTAL CUBE		18. SHEET TOTAL	
ISSUED BY		TYPE CON- TAINERS		DESCRIPTION		DATE		BT	
CHECKED BY								16. BRAND TOTAL	
PACKED BY								BT	
								19. RECEIVER'S VOUCHER NO.	
								BT	

DD 1 JUL 56 1149 (11 PT) 61 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

ORIGINAL

Combining the problems of identifying the item (cataloging) and preparing the requisition, the allocation unit was in need of help. Or at any rate several of the districts decided the allocation unit needed help. Thus several districts developed and instituted some sort of simplified requisitioning procedures. These usually consisted of a listing, on sheets of paper or tab cards, of items stocked at the Coast Guard supply depot, or those normally ordered by an allocation unit during its regular quarterly replenishment. The simplified requisitions were referred to as CONSolidated REQUISITIONS (CONREQ) or Shopping Lists. CONREQ will be used to denote either of these. See Figure 4 for a sample page.

The unit using the CONREQ must enter the quantity of the item required, extend the price and sum up the extensions to ensure that its monetary limitation has not been exceeded.

How did the CONREQ help the unit and the supply activity? For the unit it provided a "catalog" of most of the items used; this reduced research to a nominal level. It also reduced the amount of clerical work required to prepare the unit's requisitions. For the supply depot or the district office screening the unit's requisitions it reduced research workloads. Before each publication the items included on the CONREQ are updated with current information as to source, stock number, price and unit of issue.

In recent months the overall problem of item identification has been reduced for the allocation unit. Two things, other than the use of CONREQs, have caused this. One is the

FIGURE 4 SAMPLE CONREQ SHEET

GSA and Instock Items

SHOPPING LIST

COAST GUARD SUPPLY DEPOT, GREAT LAKES

page 6

NAME OF UNIT & OFFIC NUMBER CGC ACACIA 15201		TO: COMMANDING OFFICER U.S. COAST GUARD SUPPLY DEPOT c/o U. S. NAVY SUPPLY DEPOT GREAT LAKES, ILLINOIS		DATE 4/1/65	QUARTER 3 RD	IF ITEM IS LISTED MAKE ENTRY IN COLUMN 12 AND EXTEND PRICE IN COLUMN 13. IF ITEM NOT LISTED MAKE ENTRIES IN COLUMNS 5, 6, 7, 8, 12, AND 13 ONLY.			
(1) RTE IDEN (4)	(2) STOCK NUMBER	(3) ITEM DESCRIPTION	(4) UNIT ISSUE (7)	(5) QTY REQ'D (8)	(6) JULIAN DATE (9)	(7) SERIAL NUMBER (10)	(8) FUND CODE (11)	(9) UNIT PRICE (12)	(10) EXTENSION (13)
	8212-290-7288	Paint, aluminum ext. shore use (CG)	qt	1			CG	.97	.97
	8217-290-7289	Paint, aluminum	gl				CG	3.19	
	8218-290-7290	Paint, ext. vinyl black (CG)	gl				CG	2.12	
	8219-290-7292	Paint, vinyl red (CG)	gl	10			CG	3.07	30.70
	8220-597-4759	Kit, paint roller 7" (FS)	se				CG	.94	
	8221-598-4080	Cover, paint roller 7" (FS)	ea				CG	.30	
	8230-281-2715	Wood preservative (CG)	gl				CG	1.30	
	8230-281-2726	Primer pretreatment (CG)	gl				CG	2.88	
	8345-242-0274	Flag, ensign, CG # 4 (CG)	ea	2			CG	4.62	9.24
	8345-242-0275	Flag, ensign # 5 (CG)	ea				CG	2.15	
	8345-260-2605	Pennant, Commission, #6 (CG)	ea	3			CG	2.00	6.00
	8345-260-2606	Pennant, Commission, #7 (CG)	ea				CG	1.15	
	8405-616-0141	Hat, Sou-wester, rain 6 3/4 (CG)	ea				CG	2.28	
	8405-616-0143	Hat, Sou-wester, rain 7 1/4 (CG)	ea				CG	1.70	
	8405-616-0144	Hat, Sou-wester, rain 7 1/2 (CG)	ea				CG	1.70	
	8415-616-0097	Coat, linemen, X-large (48-50) (CG)	ea				CG	5.55	
	8415-616-0098	Coat, linemen, large (44-46) (CG)	ea				CG	5.50	
	8415-616-0099	Coat, linemen, medium (40-42) (CG)	ea				CG	5.50	

publication of the Coast Guard Small Units Shopping Guide and the other is the increasing use of the General Services Administration General Stores Stock Catalog. Both of these publications are of the picture and word description type and similar to the Sears, Roebuck and Company catalog in difficulty of use. See Figures 5 and 6 for sample pages. But, the problem of accurate preparation of MILSTRIP documents still exists for the units not using the CONREQ principle.

Turning to the area of kinds of items required, things become a little involved in the supply system. Materials are of two broad kinds--those the allocation unit must "pay" for from the monetary allowance received each quarter and those which they do not have to "pay" for from their quarterly allowance.

The items not paid for consist of blank forms and medical supplies. The unit has more or less an open account on which to draw for those items. As the blank forms and medical supplies are consumed the unit orders more. Usually this is done on the quarterly basis. Some districts have CONREQs covering blank forms and medical supplies and some districts use MILSTRIPS. The volume of those orders on a line item basis probably comprises about five to ten per cent of the total number of line items furnished by a supply depot. In the case of those districts without a supply depot, Supply Center, Brooklyn or supply department, Base Alameda furnish the items.

The items "paid" for by the allocation unit break down further into general stores, aids-to-navigation items and engine

FIGURE 5

SAMPLE PAGE FROM

COAST GUARD SMALL UNITS SHOPPING GUIDE

COAST GUARD SMALL UNITS SHOPPING GUIDE



SCREW, WOOD — Round head. Brass. Accurately sized and shaped. Sharp gimlet points. Clean-cut threads. Deep slots for easy starting and driving. 144 to box. Length and nominal size listed below.

KZ5305-290-3120	1/2", No. 5	Price .35	U/I GR
GSA5305-010-2172	3/4", No. 6	Price .55	U/I BX
KZ5305-290-3133	3/4", No. 8	Price .67	U/I GR
GSA5305-010-2194	3/4", No. 10	Price .93	U/I BX
GSA5305-010-2205	3/4", No. 12	Price 1.30	U/I BX
KZ5305-290-3138	1", No. 6	Price .53	U/I GR
GSA5305-010-2185	1", No. 8	Price .88	U/I BX
GSA5305-010-2196	1", No. 10	Price 1.15	U/I BX
GSA5305-010-2186	1-1/4", No. 8	Price 1.10	U/I BX
GSA5305-290-3148	1-1/4", No. 10	Price 1.40	U/I BX
GSA5305-290-3152	1-1/2", No. 10	Price 1.60	U/I BX
KZ5305-290-3153	1-1/2", No. 12	Price 1.80	U/I GR
KZ5305-010-2147	3", No. 12	Price 3.80	U/I GR

SETSCREW — Wallace & Tiernan No. CP-32324, or equal. Repair part for FA-239, 8-place Lamp changer.
CG5305-G00-1231 Price .08 U/I EA

SETSCREW — Wallace & Tiernan No. CPR-34856, or equal. Used on battery rack.
CG5305-G00-1316 Price .40 U/I EA

SETSCREW — Steel, oval point. Hexagon head. Non-standard point. 2-1/8 in. length.
KZ5305-276-8022 Price .04 U/I EA

Class 5305 — Bolts

BOLT — Willard Storage Battery Co., Cleveland, Ohio, Part No. S-1292, or equal. Terminal bolt, for low discharge cells. For types DHB-5-1 and DH-5-1 batteries.
CG5306-649-9555 Price .20 U/I EA

BOLT — Elizabeth Div. of Elastic Stop Nut Corporation of America, Part No. 758-29, or equal. Swing bolt with nut, for buoy pockets acetylene and electric.
CG5306-717-5816 Price 3.55 U/I EA

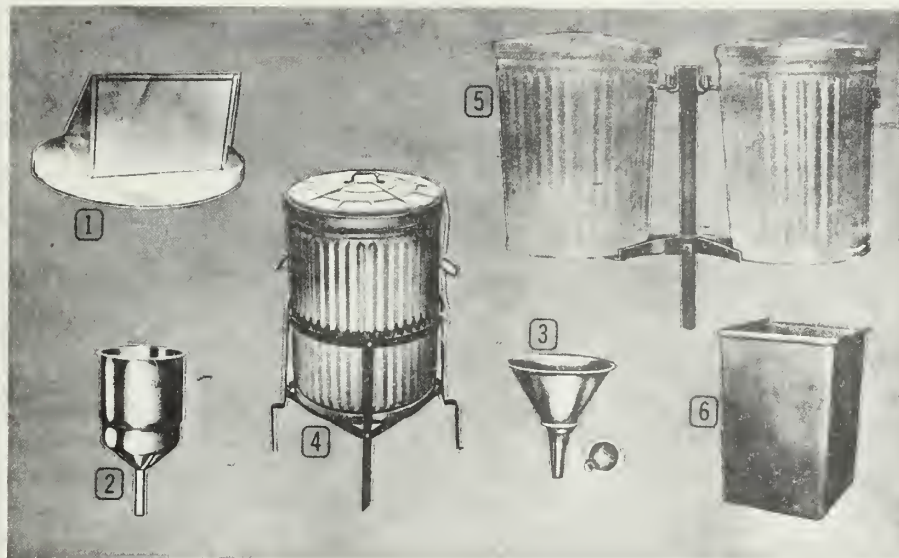
BOLT, ASSEMBLED WASHER — Brass. Head lead coated. Square extended washer head. 5/16 inch diameter, 18 TPI. Overall length 29/32 inches, washer OD 1-1/8 inches, thickness 5/32 inch, head height 21/32 inch, head width 3/4 inch, thread length 29/32 inch.
KZ5306-025-1012 Price .14 U/I EA

BOLT, EYE — Large, for sinkers. AN-100.
CG5306-G09-0169 Price .77 U/I EA

BOLT, EYE — Small, for sinkers. AN-90. Made from 3/4 in. diameter steel bar.
CG5306-G09-0168 Price .63 U/I EA

BOLT, EYE — Small, for tall can special buoy. AN-80.
CG5306-G09-0167 Price 2.19 U/I EA

SAMPLE PAGE FROM
GENERAL SERVICES ADMINISTRATION
GENERAL STORES STOCK LIST



COVER, CAN

Ash and garbage can covers. For can sizes shown. Galvanized steel. *Std. pack:* 12, except 7240-161-1152, *Std. pack:* 10. Fed. Spec. RR-C-82b.

7240-161-1152	5-gallon	Each	68¢
7240-161-1150	10-gallon	Each	67¢
7240-161-1149	16-gallon	Each	87¢
7240-161-1147	24-gallon	Each	88¢
7240-161-1143	32-gallon	Each	92¢

COVER, WASTE RECEPTACLE

① Swinging door receptacle cover for 55-gallon drum. Self closing. Provides enclosure for waste material. Makes drum weatherproof, fireproof, and sanitary. Int. Fed. Spec. RR-C-00625.

Single swinging vertical door, raised top. 2 to carton. Type I, style a.

7240-792-1435	Carton	\$12.90
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Single swinging horizontal door, inclined top. 2 to carton. Type I, style b.

7240-783-1044	Carton	\$9.35
---------------	--------	--------

Double swinging door. 1 to carton. Type II.

7240-782-3005	Carton	\$6.50
---------------	--------	--------

FUNNEL

② Filtering funnel with strainer. Aluminum. Filters dirt, water, and other impurities from fuel to provide better lighting efficiency. Use to fill lamps, lanterns, and small appliances. With all wool felt strainer assembly. Small size—2½ inches in diameter. Fed. Spec. RR-F-800b.

7240-634-4985	Each	46¢
---------------	------	-----

③ Galvanized steel utility funnel. Plain design. With strainer. *Std. pack:* 5 and 100. Fed. Spec. RR-F-800b.

7240-527-9868	1-qt.	Each	84¢
---------------	-------	------	-----

Polyethylene funnel. Resistant to gasoline, paint, acid, and oil. One-piece construction. About 4 oz. capacity. *Std. pack:* 12 and 144. Int. Fed. Spec. L-F-00750.

7240-826-4099	Each	13¢
---------------	------	-----

HOLDER, TRASH AND GARBAGE CANS

④ Sturdy metal-frame holder. Raises can off ground, prevents tipping or wind damage. Nylon cord or chain secures can lid. Legs drive into ground. Knocked-down. Can sizes indicated. *Std. pack:* 6. Int. Fed. Spec. RR-S-00700.

7240-325-2479	24-gallon	Each	\$3.70
7240-562-8002	32-gallon	Each	\$4.00

HOLDER, GARBAGE CAN

⑤ Sturdy pole stand with side arm support. Holds can 9 inches off ground. Rust resistant metal. Adjustable to hold any size can up to 32 gallons. Embed pole in concrete. Prong at top of pole loops through handle of can . . . prevents tipping or slipping.

Single side arm. Holds one can. 7240-082-6174 . . . Each \$4.35

Two side arms. Holds two cans. 7240-082-6626 . . . Each \$7.10

LINER, PLASTIC

⑥ Rectangular .080" thick trash can liner. Use alone or as insert for top swinging-door waste receptacle. Free-standing, open top, one-piece molded gray plastic. Rounded corners for easy cleaning. Reinforced lip. 15" square, 22½" high. For waste receptacle, see 7240-634-0117 and 7240-634-0133. *Std. pack:* 4.

7240-056-1534	Each	\$6.00
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MEASURE, LIQUID

Oil measures with swing spout. Bottom designed to completely drain measure. Swings in 160° arc. 14" min. spout length. Int. Fed. Spec. RR-M-00190.

⑦ 1-quart. *Std. pack:* 30. 7240-634-4802 . . . No. 101 . . . Each \$4.60

½-gallon. *Std. pack:* 20. 7240-281-8516 . . . No. 102 . . . Each \$4.90

1-gallon. *Std. pack:* 16. 7240-233-6025 . . . No. 104 . . . Each \$5.60

Aluminum graduated measures. Marked in four equal divisions.

With flanged pouring lip. Baker's type. Riveted handles. Aluminum alloy, single piece construction. *Std. pack listed in Sec. II.* Fed. Spec. RR-A-466b.

7240-264-5366 . . . 1-pt. . . . Each \$2.35

7240-264-5367 . . . 1-qt. . . . Each \$2.60

7240-205-3096 . . . 2-qt. . . . Each \$3.85

7240-264-5368 . . . 4-qt. . . . Each \$4.40

Without pouring lip. Straight sides. 2⅜-inch top diameter, 2½-inch depth. Weavever No. 3150 or equal.

7240-577-4574 . . . ½-pt. . . . Each 73¢

OPENER-DISPENSER, CAN

⑧ Steel opener-spout dispenses oil from 1- and 5-quart cans. Long-wearing cutting blade with nickel-plated spout. Neoprene gasket forms leakproof seal for pouring. *Std. pack:* 12 and 72.

7240-851-1691 . . . 8½" size . . . Each \$1.00

PAIL, METAL

⑨ General purpose pails. Heavy wire bails; two riveted ears. Top edge beaded over steel wire for reinforcement. Sides extend below bottom. Without bottom strap. *Std. pack:* 10. Int. Fed. Spec. RR-P-0030b.

Heavyweight (galvanized). 7240-634-0437 . . . 14-qt. cap. . . . Each \$1.19

Lightweight (galvanized). 7240-754-1298 . . . 10-qt. cap. . . . Each 52¢

7240-160-0457 . . . 12-qt. cap. . . . Each \$1.08

Mess outfit pails with covers. Made of tin-coated steel. Components of mess kits. *Std. pack:* 6.

Half-oval shape. 11¼-inch diameter. 13 inches deep. For. Serv. Spec. No. 247-15.

7240-205-3195 . . . Each \$17.50

Round shape.

6-quart. 10½ inches deep. For. Serv. Spec. No. 247-16-S.

7240-205-3193 . . . 8" diam . . . Each \$8.30

9-quart. 11 inches deep.

7240-205-3194 . . . 8½" diam . . . Each \$8.40

13-quart. 11½ inches deep.

7240-205-3197 . . . 9" diam . . . Each \$9.70

16-quart. 12 inches deep.

7240-205-3196 . . . 9½" diam . . . Each \$10.60

PAIL, PLASTIC

Strong one-piece molded polyethylene pail. Easy to clean, will not rust, chip, or corrode. Tapered sides for stacking. Graduated on inside and outside. 5- and 8-quart sizes have wire reinforcing rim. *Std. pack shown in Sec. II.* Int. Fed. Spec. L-P-0065.

Graduated in quarts, bail handle

7240-061-1163 . . . 5-quart . . . Each 24¢

7240-060-6006 . . . 8-quart . . . Each 37¢

Graduated in pints, no handle

7240-889-3785 . . . 5-pint . . . EA 14¢

parts. Of these, all units are concerned with general stores and only some of the units have need for aids-to-navigation items and engine parts. General stores items comprise by far and away the majority of these issues. A percentage was not established, but estimates from interviews at supply depots indicate this probably approaches ninety per cent for general stores.

From the above it is evident that the work of the supply depot is primarily that of supplying general stores to the unit. General stores is an inclusive term for all types of housekeeping and other commonly used items. Some examples are: paper, pencils, typewriter ribbons, pots, pans, dishes, towels, brooms, mops, dust pans, paint, paint brushes and rollers, foul weather clothing, ash trays, various signs and placards, hand tools, wrenches, pliers, copper tubing, pipe nipples, line, wire rope, boat oars, fire fighting equipment, and garden and lawn tools. The list could be extended on and on, but those should give some idea of the range.

With some knowledge about the administrative demands and kinds of items ordered, it is time to turn to the third type of demand--the actual physical quantities and movement of goods. Since the great majority of line items are general stores, the following discussion will center on satisfying that need. To get a better feeling of general stores requirements, the writer conducted a survey of allocation units in one district.² Admittedly the survey was restricted to one district and one

² Survey reported in Appendix I.

quarterly order cycle. However, it must be noted that the survey included a significant per cent of several classes of all Coast Guard allocation units. Participating were: 27 per cent of the medium harbor tugs, 17 per cent of the seagoing buoy tenders, 30 per cent of the stations, and 18 per cent of the light and light attendant stations combined. The point here is that the survey should be fairly representative of what can be expected from allocation units on a Coast Guard wide basis.

Remembering that the survey was concerned with only general stores items, it showed that: an administrative unit such as a Marine Inspection Office, recruiting station or group office is likely to order between 20 and 39 line items per quarter; a light or light attendant station about 40 line items per quarter; a station about 120 line items per quarter; a medium harbor tug about 150 line items per quarter; and a seagoing buoy tender between 220 and 350 line items per quarter. From those figures the supply depot or district office could predict with some degree of success the number of items which will be ordered in any quarter.

Facts shown which are much more interesting than the number of line items ordered, are the value of the individual item ordered and the sources from which the items are available. Only the data for stations will be discussed here; information for other classes of units tabulated in the survey is available in Appendix I.

Of the 120, more or less, line items of general stores ordered by the typical station, 31 per cent are for a value of

less than one dollar; 53 per cent for a value of less than two dollars; and 65 per cent for a value of less than three dollars. On the basis of source of supply for those line items valued at less than one dollar, 78 per cent are available directly from General Services Administration regional supply activities; 12 per cent available directly from Defense Supply Agency/Navy supply activities. The balance of 10 per cent are Coast Guard cognizance (managed) items and available only from Coast Guard supply sources. The ratio of those sources remains relatively constant for all dollar values as can be seen in Figure 11. A similar distribution can be computed from the results of a later survey in the same district shown in Table 1. Therefore, the district is faced with furnishing many very low value line item requisitions to many small units.

The words "available directly from" were used in the above paragraph rather than the words "supplied by" for a definite reason. Although many of the items are available from other sources, they are stocked and supplied by the Coast Guard supply depots. Some of the duplicate stocking is justified, but, in the writer's opinion, much of the duplication of stocks is "gold plating" which is really unnecessary. This is evidenced by the fact that several districts with similar geographical characteristics operate without the need of duplicate stocking in a supply depot.

How the Demands are Met

The preceding has shown who has the need for materials, how the need is made known and to some extent the kind and size

of need. Then how are the needs satisfied? The answer is simple enough; by furnishing the materials to the unit. That process is the center of discussion of this section.

The process of satisfying the need is determined by whether a district has a supply depot or not and, if it does, to what extent the depot stocks materials. There are three patterns: 1) the district with a supply depot that stocks a broad range of all items; 2) the district with a supply depot that stocks very few items; and 3) the district without a depot.

The district with a supply depot that stocks a broad range of items. The writer places the First, Fifth, Seventh, Eighth, Thirteenth, Fourteenth and Seventeenth Coast Guard Districts in this category. All of those districts except the Seventh use some form of CONREQ for one or more of the types of items ordered, i. e. general stores, blank forms, medical supplies, engine parts or aid-to-navigation supplies.

The allocation unit submits the requirement to the supply depot using the CONREQ or MILSTRIP requisition as appropriate. The supply depot edits the requisition to verify all of the entries on it. While using MILSTRIPs two districts reported that the edit function turned up an error rate of one or more errors on about 60 per cent of the MILSTRIPs while most of the districts reported an error rate of 20 to 30 per cent. The most common errors were typing, cognizance symbols and item identification.³ Subsequent to the installation of CONREQ

³Report to the Comptroller, U. S. Coast Guard from CDR Maxwell S. Charleston, USCG on a Study of Simplified

systems the error rate dropped to nil for items included on the CONPEQ. After the edit function is performed, the requisitions are separated into items stocked at the supply depot and those items not stocked. For non-stocked items the requisitions are prepared and forwarded to the appropriate Coast Guard, General Services Administration or Defense Supply Agency/Navy supply activity. Requisitions for stocked items are massaged through the paperwork mill which includes stops for recording issues to stock records and posting of demand data. Then the requisitions are sent to the warehouse section for picking of the items from the shelf and packing for shipment. Each supply depot has detailed routines to insure that funds are obligated for all requisitions and to care for out of stock situations.

Requirements for processing items not included on the CONREQ vary from supply depot to supply depot. Some procedures permit the unit to add items onto the CONREQ and others require that the unit prepare a MILSTRIP for items not included on the published CONREQ. When the supply depot permits "add on" items to the CONREQ, the supply depot prepares the necessary MILSTRIP for the "add on" item and if not stocked forwards it to the appropriate supply activity.

Supply depots have reported that their stocked items duplicate to a high per cent the stocks available directly from other supply activities.⁴ The range of duplication is up to

Requisitioning Procedures, January 17, 1966 (in file F-1 at Coast Guard Headquarters).

⁴See the results of the survey reported in Appendix III.

80 per cent. The reasons given for duplication are generally that the unit of issue from other supply sources is not consistent with Coast Guard needs or that delivery is not made within acceptable time frames. Close investigation of the unit of issue problem shows that it exists for comparatively few items and that when some of these item values are compared to the cost of processing a line item through a depot it makes the stocking for this reason alone, quite dubious. An example: twist drills are carried by General Services Administration in package quantities of three, six or twelve. A typical package of twelve might cost \$1.20. The Coast Guard supply depot breaks these down into unit of issue of each at \$.10. Considering the cost of processing the "each" requisition through the Coast Guard supply depot, it would be cheaper for the Coast Guard, as a whole, to pay the \$1.20 to General Services Administration and let the end user throw the eleven extra drills away.

The district with a supply depot that stocks only a few items. The Ninth Coast Guard District was the only district in this group, and as of December, 1965, it moved to the group of districts without a supply depot. That shift resulted from the closing of The Coast Guard Supply Depot, Great Lakes, Illinois. However, the manner in which the Ninth District operated will be discussed. Coast Guard Supply Depot Great Lakes used a general stores CONREQ consisting of about 550 items of high repetitive demand. The CONREQ included all 250 items stocked at the supply depot plus about 300 more items stocked in the supply systems of other agencies. The operation was

similar to the depots described above. Requisitions were edited, separated into stocked and non-stocked and massaged through the papermill. The only basic difference between it and the supply depots carrying a full line of items was that it relied on the General Services Administration and Defense Supply Agency/Navy to provide the services they offer. One other area of difference was that it relied on commercial carriers exclusively to move supplies to the unit or, if the unit were isolated, to the Coast Guard unit which was responsible for logistics to the isolated unit.

The district without a supply depot. In this group are the Second, Third, Ninth (after December 1965), Eleventh and Twelfth Coast Guard Districts. The Coast Guard Supply Center Alameda, California, served the Eleventh and Twelfth districts to a certain extent, but it appears that these districts should be included in this group.

Requisitions are submitted to a central processing point, usually the district office, where they go through much the same routine as at supply depots for non-stocked items. The requisition, whether CONREQ or MILSTRIP, is edited, funds obligated and forwarded to the appropriate Coast Guard, General Services Administration or Defense Supply/Navy supply activity.

The requisition is now to the point of being delivered to the unit which ordered the item. This is accomplished in one of three ways: 1) by commercial carrier; 2) by Coast Guard operated vehicles; or 3) by a combination of commercial carrier-Coast Guard operated vehicles. Most of the materials shipped

from other than Coast Guard supply depots are by commercial carrier. Conversely, most of the items shipped from Coast Guard supply depots are via Coast Guard operated vehicles. However, in some districts materials coming from outside the Coast Guard are shipped to the supply depot and then shipped out to the unit in a Coast Guard operated vehicle. Sometimes this is justified due to isolation of the unit, but in many instances this is not really a factor. However, it does make one raise a question, when in all cases it results in double handling and in some cases a roundabout movement of materials. Also considering only Coast Guard costs, this practice is not economical because all continental shipping costs of General Services Administration stocked materials are included in their unit price. And, when it is remembered that the General Services Administration can supply about eighty per cent of the Coast Guard general stores requirements this makes the question raise its head even further.

CHAPTER III

COSTS OF THE COAST GUARD SUPPLY DEPOTS

Since this paper is asking if the Coast Guard needs supply depots this chapter will make its prime thrust in the direction of supply depot costs. However, there are two other areas closely associated with the supply depots that will be discussed, since any major changes in policy for supply depot operation would also affect those areas.

The writer spent much time considering various ways to evaluate one supply depot or district against another and was unable to come up with a common base that would fit all cases. In the end, the total number of line items requested from a supply depot was used as the base criteria. All classes of material were included and information as to the number of line items requested was obtained from monthly reports to Headquarters and from a questionnaire circulated to the supply depots. The cost data were obtained from Coast Guard Headquarters. It is recognized that the base for comparison is not perfect, but it does permit looking at the demands as a whole. Also it should be noted that the amount of paper work in processing any line item is roughly the same whether it is for general stores, medical stores or engine parts.

Table 2 compares the costs of operation of supply depots for the fiscal year 1965. As can be seen, the cost of processing

TABLE 2

COMPARISON OF COST OF OPERATING COAST GUARD
SUPPLY DEPOTS
FISCAL YEAR 1965

District	Depot Location	Use CONREQ	Cost ^a	#Req'n ^b Rec'd	Cost per req'n
1st	Boston	Yes	\$308,484	102,652	\$3.00
5th	Portsmouth Virginia	Yes	\$289,924	79,602	\$3.64
7th	Miami Beach	No	\$165,064	38,132	\$4.33
	San Juan, Puerto Rico	No	\$71,561	12,160	\$5.88
8th	New Orleans	Yes	\$328,973	54,417	\$6.05
9th	Great Lakes ^c Illinois	Yes	\$100,801	69,306	\$1.45
13th	Seattle	Yes	\$154,027	41,509	\$3.71
14th	Honolulu	Yes	\$267,695	d	d
17th	Ketchikan	Yes	\$164,681	31,378	\$5.26

Notes:

^aObtained from Cost Analysis Branch, Coast Guard Headquarters.

^bSupply Operations Statistics Reports (FY 1965).

^cSupply Depot Great Lakes closed during December 1965.

^dInformation available does not appear to be valid.

TABLE 1

COMPARISON OF COSTS OF OPERATING CATTLE RANCHES
IN THE STATE OF TEXAS
FOR THE YEAR 1954

Operator	Operator's Address	Operator's Phone	Operator's Fax	Operator's E-mail	Operator's Website
1st	1st	1st	1st	1st	1st
2nd	2nd	2nd	2nd	2nd	2nd
3rd	3rd	3rd	3rd	3rd	3rd
4th	4th	4th	4th	4th	4th
5th	5th	5th	5th	5th	5th
6th	6th	6th	6th	6th	6th
7th	7th	7th	7th	7th	7th
8th	8th	8th	8th	8th	8th
9th	9th	9th	9th	9th	9th
10th	10th	10th	10th	10th	10th
11th	11th	11th	11th	11th	11th
12th	12th	12th	12th	12th	12th
13th	13th	13th	13th	13th	13th
14th	14th	14th	14th	14th	14th
15th	15th	15th	15th	15th	15th

1954

Operator's Name: [Name]
Operator's Address: [Address]
Operator's Phone: [Phone]
Operator's Fax: [Fax]
Operator's E-mail: [E-mail]
Operator's Website: [Website]

Operator's Name: [Name]
Operator's Address: [Address]
Operator's Phone: [Phone]
Operator's Fax: [Fax]
Operator's E-mail: [E-mail]
Operator's Website: [Website]

Operator's Name: [Name]
Operator's Address: [Address]
Operator's Phone: [Phone]
Operator's Fax: [Fax]
Operator's E-mail: [E-mail]
Operator's Website: [Website]

Operator's Name: [Name]
Operator's Address: [Address]
Operator's Phone: [Phone]
Operator's Fax: [Fax]
Operator's E-mail: [E-mail]
Operator's Website: [Website]

a line item through the supply depots varies considerably. And, when comparing the cost of processing a line item to the value of the typical line item it makes one wonder if the manner in which the majority of the Coast Guard is supported is "good." This point is more noticeable when the cost of supplying a line item through the Coast Guard Supply Depot, Great Lakes, Illinois is compared to the supply depot at the other end of the stocking spectrum, Coast Guard Supply Depot, New Orleans. Coast Guard Supply Depot Great Lakes stocked a minimum of materials and relied on other agencies to supply the bulk of the requirements; Coast Guard Supply Depot New Orleans stocks almost any requirement of an allocation unit and delivers by Coast Guard vehicle to the Coast Guard unit.

The economy of using outside sources for primary support is shown also in the districts which do not have supply depots. The Third Coast Guard District employs two people for processing allocation units requirements. During the first quarter fiscal year 1966, allocation units in that district submitted 8,075 line items for general stores. Of those, 259 were Coast Guard cognizance, 1,498 were submitted to Defense Supply Agency/Navy and 6318 were submitted to General Services Administration. Projecting that to a yearly rate of 32,000 line items we can compare the costs with a supply depot. Costs were not available but the following estimates seem to be high enough to cover all contingencies. \$20,000 for personnel and equipment to process the requisitions at the district office. \$5,000 for processing requisitions submitted to Coast Guard supply sources. \$10,000

for commercial shipping charges on the materials from Coast Guard and Defense Supply Agency/Navy supply activities. No shipping cost from General Services Administration since that cost is included in the unit price. The total estimate of \$35,000 for 32,000 requisitions results in an estimated cost to the Coast Guard of \$1.09 per line item. When this is compared to the supply depots it reenforces that wondering feeling mentioned before. It must be noted, in all fairness, that the supply depots do perform certain functions that the district office, as central screening point, does not provide. One such function is that of district transient locker. Therefore, the comparison does have some bias in it.

Two other costs associated with the district supply depots and supply system, but not chargeable to or controlled by the districts are: 1) the cost of publishing Coast Guard catalogs and 2) the cost of operating the inventory control system through the stock status reporting system. Both of these are controlled by Coast Guard Headquarters, but do have an impact on the operation of the districts and their supply depots.

Looking first at publishing of Coast Guard catalogs. Currently the Coast Guard publishes the Small Units Shopping Guide and the Coast Guard Cognizance Stock List. The Small Units Shopping Guide is a picture and word type of catalog designed to identify a very high percentage of the needs of the small Coast Guard unit. See Figure 5 for a sample page. It became effective on August 1, 1965 and is scheduled to be republished on an annual basis. The letter of promulgation states " . . . provides the small unit (units not having supply personnel

attached) both ashore and afloat with complete requisitioning data for their frequently used items of supply." The Guide attempts to do this by listing Coast Guard, Defense Supply Agency/Navy and General Services Administration cognizance items. However it appears that the initial edition of the guide will fall short of the expectations for the following reasons reported by various supply depots:¹

1. Stocking points of Coast Guard cognizance items are not shown. The supply depot or district office receiving the requisition from the allocation unit does not know where to send it if not carried at their activity.

2. Many prices and stock numbers will be out of date for more than half of the year. General Services Administration published their new General Stores Stock Catalog effective January 1, 1966.

3. The effectiveness of the catalog could have been greater had it been distributed to all units without finance and supply officers attached. It seems that the incremental cost of producing the additional copies to distribute it to all units without finance and supply officers would have been reasonable. Leaving a unit off the distribution list because it rates a second or third class storekeeper does not really seem logical to a person who has had field experience working with that class of units and has observed the problems encountered by them. Another effect the Small Units Shopping Guide has had is the

¹See Appendix III for report of survey of supply depots.

stimulation of the desire of the unit to order items not carried in the supply depot when some item in stock would probably satisfy the need. In other words it has broadened the base of the unit's desires.

"The Coast Guard Cognizance Stock List (CG-383) is published to provide Coast Guard Units with identification and ordering data on Coast Guard Cognizance General Stores Items."² The Price and Management Data Section of this publication is scheduled to be updated each four months. This publication suffers from one of the same faults as the Small Units Shopping Guide--no stocking points. How does the supply depot or district know where to send the requisition?

Headquarters controls inventory levels at supply depots by making the determination as to quantities and which items to procure for restocking. This decision is based on information reported by the supply depots. Some of the items stocks have been decentralized in control of inventory levels and purchase decisions to the supply depot. For these items the supply depots use the Economic Order Quantity principles. The preparation of the stock status reports for submission to Headquarters and then the massaging of the return stock action report from Headquarters has considerable impact on the workload of the supply depot. This impact is in direct proportion to the number of line items carried in stock by the supply depot.

On casual observation it appears that much of the work

²U. S., Treasury Department, Coast Guard, The Coast Guard Cognizance Stock List (CG-383), 12/2/64, Letter of Promulgation.

done by Headquarters in controlling the inventories could be eliminated by decentralizing control of more of the items. Headquarters could still maintain surveillance on the supply depots through the use of after the fact reporting and through control of the capital authorization of the supply depot. Or if automatic data processing equipment time were available, programs could be developed to make the majority of the decisions without a loss of control.

The writer has made no attempt to place a dollar figure on the cost of either of these functions performed by Headquarters. Recommendations for both of these areas are included in the final chapter of this paper.

CHAPTER IV

SOURCES OF SUPPLY EXTERNAL TO THE COAST GUARD

Throughout the preceding chapters reference has been made to other government agencies and departments with the implication that they supply some of the Coast Guard's needs. This chapter discusses those agencies and departments. The three primary governmental sources are: 1) General Services Administration, 2) Defense Supply Agency and 3) Navy Department. On a limited basis the United States Army and the United States Air Force extend supply support of various kinds. Often this is primarily for foodstuffs to be used by the individual Coast Guard unit's mess operation. Compared to the support received from the three primary agencies, this is incidental and will not be discussed further.

Each of the three sources supports the Coast Guard in two ways. One is by filling individual requisitions and shipping materials directly to the consuming Coast Guard unit. The other way is by "wholesaling" of bulk quantities of materials to Coast Guard supply depots. In any event, as shown in Appendix I, these agencies support about ninety per cent of the Coast Guard's requirements for general stores items. In addition to the general stores they also support the medical requirements and a considerable portion of the blank forms and engine parts requirements.

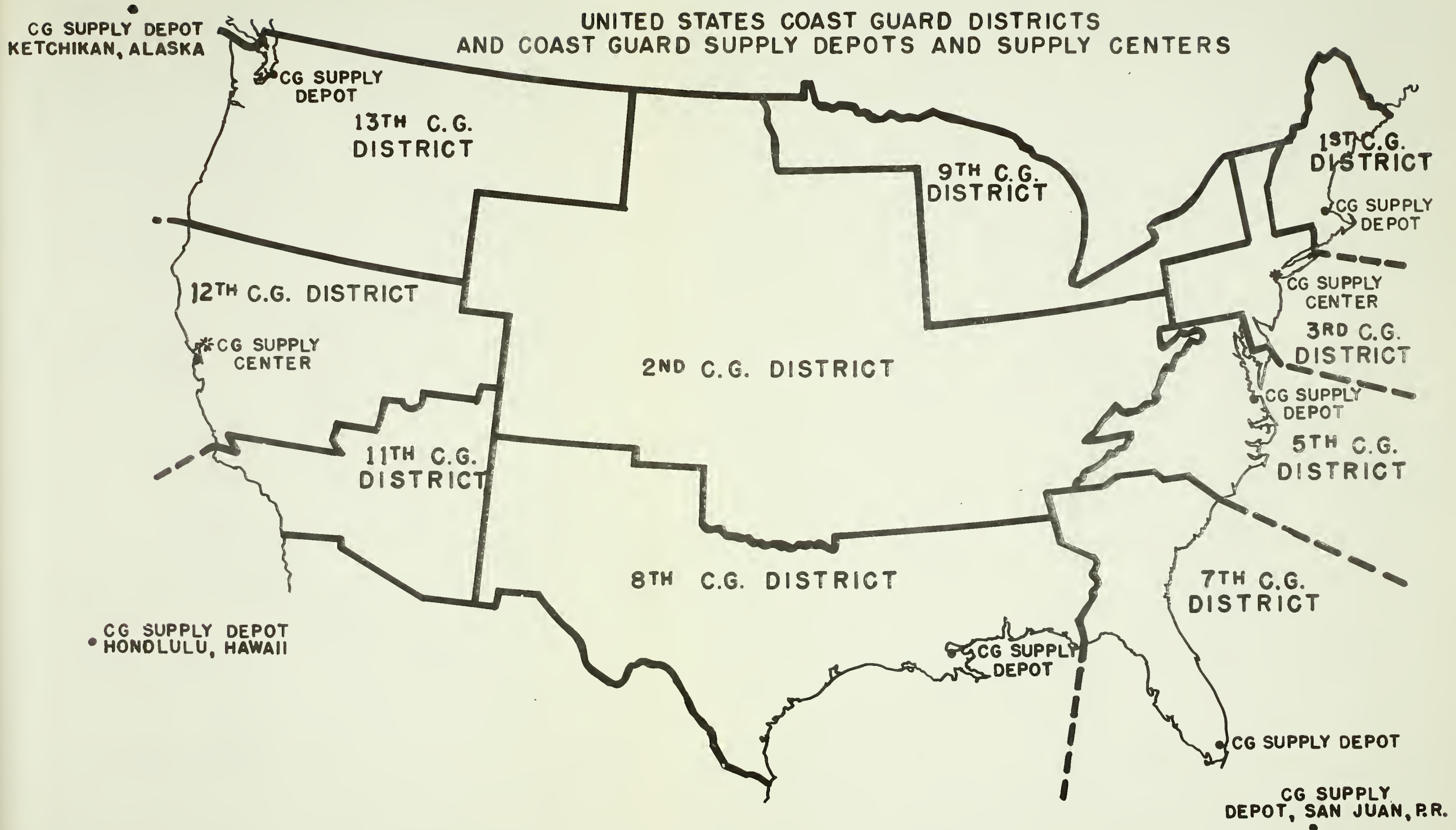
Since the General Services Administration is the largest supplier to the Coast Guard either directly to the using unit or through the Coast Guard supply depots it will be discussed first. The support from General Services Administration is accomplished through their Federal Supply Service. The support is furnished from one of the ten regional offices or through the use of the Federal Supply Service term contracts. Figures 7 and 8 show how the Coast Guard districts and supply depots overlap with the General Services Administration regions. The requisition is submitted to the General Services Administration region in which the Coast Guard unit is geographically located. From the Figures 7 and 8 you can see that in many cases one Coast Guard district is serviced by more than one General Services Administration region. To the writer's knowledge there never have been any significant problems in keeping the flow of requisitions going to the proper region. It should also be noted that in some cases the General Services Administration supply activity is as close or closer than the Coast Guard supply depot. The Seventh Coast Guard District has taken advantage of this proximity and the prepaid shipping charges. The Seventh has their contential units submit requisitions directly to General Services Administration supply depot in Atlanta, Georgia. They found that the allocation units are fully capable of direct requisitioning, thereby saving many manhours of screening time by Coast Guard personnel.¹

¹ Survey reported in Appendix II.

FIGURE 7
GENERAL SERVICES ADMINISTRATION
REGIONS AND REGIONAL OFFICES



FIGURE 8

UNITED STATES COAST GUARD DISTRICTS
AND COAST GUARD SUPPLY DEPOTS AND SUPPLY CENTERS

General Services Administration supply activities are equipped with automatic data processing equipment which accepts the MILSTRIP format and also a multi-line item requisition of their own. The multi-line item requisition presents none of the problems experienced with the pre-MILSTRIP type of multi-line item requisition. Figure 2. Those problems are avoided since each line item is entered into their automatic data processing system as an individual requisition and handled as such from then onward. This saves the unit, preparing the requisition, a lot of work over preparation of individual MILSTRIPS. If each district followed the lead of the Seventh, the use of the General Services Administration multi-line item requisition would probably come very close to the savings experienced by the CONREQs and if considered on an all inclusive basis would probably exceed that of the CONREQs. The Second Coast Guard District anticipates the use of it and the Thirteenth Coast Guard District is already using the General Services Administration multi-line item requisition.

The same priority and delivery criteria are adhered to by the Coast Guard, General Services Administration and the Defense Supply Agency/Navy. And, as shown in the survey reported in Appendix I, support from the General Services Administration compared favorably with the other sources. A subsequent survey completed by the Ninth Coast Guard District in March 1966 supported the previous findings. (See Table 1). Reviewing Table 4, the comments from the various districts, who rely heavily on the General Services Administration for support,

reflect acceptable service patterns.

The Defense Supply Agency and the Navy Department have been classed together in this paper since they are both a part of the Department of Defense. Both of these sources use the MILSTRIP requisitioning procedures and are performing the paperwork on automatic data processing equipment for the most part. These agencies accomplish their mission differently than the General Services Administration. Where General Services Administration manages its operation on the basis of a full line of stock at each regional supply activity, the Defense Supply Agency/Navy manage their stocks by groupings of material. The requisition on the Defense Supply Agency/Navy is submitted to the appropriate manager who then passes it on to the appropriate warehousing activity for shipment of materials. The managers are:

- Defense Industrial Supply Center (DISC), Philadelphia
- Defense Construction Supply Center (DCSC), Columbus, Ohio
- Defense General Supply Center (DGSC), Richmond, Virginia
- Defense Electronics Supply Center (DESC), Dayton, Ohio
- Defense Personnel Support Center (DPSC), Philadelphia
- Navy Ships Parts Control Center (SPCC), Mechanicsburg, Pa.
- Navy Training Device Center, Port Washington, New York
- Navy Aviation Supply Office, Philadelphia

In addition to those activities the Navy has supply centers, supply depots and supply departments at Naval activities to whom Coast Guard requisitions may be submitted under certain circumstances. The detailed arrangements for submission of requisitions to Navy activities is beyond the scope of this paper.

What is important to note is that the Defense Supply Agency/Navy does supply about twelve per cent of the line item needs of Coast Guard units. This is done either directly or through the Coast Guard supply depots. The proportion of items supplied by Defense Supply Agency/Navy is higher for floating units than for shore units. This only follows since the Navy system particularly should be oriented to floating unit needs more so than the General Services Administration.

The remaining source of supply external to the Coast Guard is the commercial market. With respect to the need for Coast Guard supply depots the commercial market is not of prime importance. This is because if the item is available from the government source, it is procured from there unless there are emergent or extenuating circumstances. If the line of supply is traced back to the origin, of course, the commercial market is important, but the Coast Guard takes advantage of the bulk procurements made by other government agencies.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

In doing the research for and in writing this paper the author had the distinct feeling that the Coast Guard supply system is like a partially filled rubber fuel pod. You step on it in one place and it pops up in another; you step on it there and it pops up in a third place. It seemed that each time a trend was attempted, several exceptions came to the surface; each time a clear cut policy was sought; it was overrun by indications of each district performing as it felt necessary to accomplish the mission of supplying the units. Some districts appeared to be building empires, and other districts were operating most economically and still doing a good job of supporting the units. Standards of comparison were difficult to establish. Each depot seemed to report a little differently on their workload reports.

Information was developed from Coast Guard Headquarters files, circulation of questionnaires to district offices and supply depots, surveys of field units conducted by the writer and others and through personal interviews with finance and supply personnel at four district offices, two supply depots, Coast Guard Headquarters and Coast Guard Supply Center, Brooklyn, New York. Based on the information gleaned from those sources and the experience gained from three years as Chief, Supply

Branch of a district, the writer offers the following conclusions and recommendations.

The first conclusion is that the Coast Guard does not have an effective service-wide supply support policy unless it is to have no central policy. This is evidenced by the wide divergence in the methods by which the various districts provide supply support to their units. At one extreme you find the districts without supply depots obtaining almost complete support directly from the General Services Administration and the Defense Supply Agency/Navy. At the other extreme you find the Eighth Coast Guard District operating Coast Guard Supply Depot, New Orleans as a full stocking activity with a cost of about \$6.00 to process one line item through. In a majority of cases that line item will be valued at less than half of the cost to process it. Another example is the closing of Coast Guard Supply Depot, Great Lakes and the opening of a self-service store at Coast Guard Supply Depot, Miami Beach.

My recommendation is that a policy be developed and enforced on a Coast Guard wide basis. The question to be answered in developing such a policy is: "Should the Coast Guard have a completely self-sufficient supply system or should it reduce to a minimum and rely on other agencies to the maximum of their services?" Any position in between, in the writer's opinion, would be begging the point. A very important decision to be made in arriving at a policy is, "should the 30 day delivery time be considered adequate for Coast Guard units or do Coast Guard units require a more responsive system?"

Either way the self-sufficiency question is answered many implications come up. First, looking at the answer for a self-sufficient system in each district. This raises another question. By self-sufficient is it meant that the Coast Guard goes to the commercial market for all requirements or does the Coast Guard still buy in bulk from the General Services Administration and Defense Supply Agency/Navy and just be self-sufficient as a retailing function to the Coast Guard units? In either type of self-sufficiency this would involve opening five new supply depots and increasing the scope of operations at most of the currently existing depots. A rough estimate of the new requirements shows the need for: 180 new billets at supply depots, 15 new billets at Headquarters for inventory control, an increase of about three million dollars in the capital of the supply fund and a large construction and modernization program.

Second, looking at a self-sufficient supply system on a Coast Guard wide consolidated basis, you would see an expansion program, but not quite as ambitious as the district by district basis. This might be workable with one supply activity on each coast to serve the needs of several districts. It appears this would also cause a net increase in both operating costs and capital needed for the stock fund.

Third, considering a reduced scope of operations with the present Coast Guard supply depot establishment stocking only those items that cannot be adequately supplied by another agency system. This would result in an estimated net reduction of seventy billets at supply depots, fifteen at Coast Guard Head-

quarters and the reduction of almost a million dollars in the capital of the supply fund.

If the scope of operations were reduced and the supply depots consolidated into more economical operations the reduction would be even more marked.

So comes the time to answer the question posed in the title of the paper. Does the Coast Guard need supply depots? As in most cases with many variables and considerations the answer cannot be a simple yes or no. The answer will be given through a set of recommendations.

First, the provisions of paragraph 3A03001 Comptroller Manual should be enforced with respect to what items are to be stocked by supply depots. This would reduce the number of items stocked at supply depots within continental United States and probably increase the number of items stocked at the supply depots outside the continental limits. The districts with supply depots would protest such a move, but it is apparent that five districts can operate without a supply depot acting as a middleman for the vast majority of items. For those districts protesting the reduction of their supply depots, some surveys and trial operations of receiving the materials from other government agencies should prove the point.

Second, consolidate the distribution of all blank forms and medical supplies at one Coast Guard supply activity. This action would reduce considerably the stocks of those items just sitting in the warehouses. With today's mail and transportation facilities a single responsive activity could provide adequate

routine replenishment and meet any urgent demand on an acceptable basis. By using expedited modes of transportation, the individual urgent demand would be more costly, but this would be offset by the savings on the routine work.

Third, after the number of items stocked at the supply depots have been reduced to a minimum, release control of inventory procurement decisions to the supply depots and monitor this at Headquarters on an after the fact basis. Headquarters should retain the control over whether an item is brought into stock or discontinued from stock.

Fourth, after each supply depot has reached the minimum stock position, thoroughly investigate the advisability of reducing the number of supply depots. Here, as in the case of blank forms, the discriminate use of expedited transportation would offset many needs of extensive decentralized warehousing. The use of modern methods of simulating operations in selecting optimum locations would be very appropriate and hopefully within the capability of Coast Guard personnel.

Fifth, strengthen the stocking position of engine repair parts. This should be done on a centralized basis. The typical unit operating any engine power plant will maintain a certain minimum position in repair parts to cover common emergencies. Once again the discriminate use of expedited modes of transportation in urgent cases would be appropriate.

Sixth, immediately review the position the Coast Guard has taken in publishing catalogs. Two in particular are: Small Units Shopping Guide and Coast Guard Cognizance Stock List.

It appears that by distributing the General Services Administration General Stores Stock Catalog to all Coast Guard units the Small Units Shopping Guide could be reduced in scope with no loss in effectiveness. In fact that action would probably increase effectiveness. Consideration should also be given to consolidating the Small Units Shopping Guide and the Coast Guard Cognizance Stock List since there appears to be considerable duplication of effort there.

Seventh, that the Supply Operations Statistics Report form CG-3225 (9-51) be revised to more accurately reflect today's operations.

Eighth, that in some way the staff personnel in Headquarters preparing the rules by which the supply system operates, become more intimate and responsive to the needs of the field units. The loss of intimate contact is certainly evidenced by the proliferation of simplified requisitioning procedures throughout the Coast Guard. This could be accomplished to some extent by giving some units previews of changes and conducting surveys of field units.

The implementation of these recommendations by themselves will never transform the Coast Guard supply system into a model operation--that takes people dedicated to the task at hand. This by no means suggests that the people operating the supply system now are not dedicated. In fact the evidence shows that the vast majority of the personnel are, in fact, hard working and devoted to keeping the Coast Guard units supplied with their needs. Rather, in broad terms, what is needed is an

awakening to the fact that today is 1966 and times have changed. The writer only hopes that this paper will stimulate enough anger to cause people to look out the window and recognize that today is 1966.

From The Functions of the Executive

To My Father: At a crisis in my youth he taught me the wisdom of choice: To try and fail is at least to learn; to fail to try is to suffer the inestimable loss of what might have been.

Chester Irving Barnard

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APPENDIX I

SURVEY OF SUPPLY SUPPORT AND RELATED DATA FOR ALLOCATION UNITS IN THE NINTH COAST GUARD DISTRICT

The writer conducted a survey of allocation units in the Ninth Coast Guard District during the first quarter fiscal year 1966. Commander, Ninth Coast Guard District (f) and Coast Guard Supply Depot Great Lakes, Illinois assisted with the survey.

All Ninth Coast Guard District allocation units were requested to participate. Approximately ninety-five per cent submitted reports for evaluation. Units were divided into classes and their returns consolidated into class information. The classes were:

<u>Class</u>	<u>Number of units</u>
Seagoing Buoy Tenders	7
Smaller buoy tenders and a lightship	5
Medium Class Harbor Tugs	5
Stations	50
Light and Light Attendant Stations	42
Miscellaneous shore Units (Marine Inspection Offices, Radio Stations, Recruiting Offices, Group Offices)	21

The survey was limited to general stores items and designed to obtain the following:

1. Level of support (delivery time) provided by Coast Guard sources, General Services Administration regional ware-

houses and Defense Supply Agency/Navy supply activities.

2. The number of line items ordered by each class of units during their normal quarterly submission of requisitions.

3. The median value of the line items ordered by each class of units.

4. The distribution of line items by dollar value for each class of units.

5. The distribution of supply source among Coast Guard, General Services Administration and Defense Supply Agency/Navy.

6. A typical group of items normally ordered by a unit of each class.

The first five of the objectives were achieved. The sixth abandoned when available resources were weighed against the size of the task.

Each unit participating "marked up" a listing of the line items ordered to show which were received before a cutoff date. The Coast Guard Supply Depot, Great Lakes established the cutoff date for each unit. In all cases it was thirty days after the supply depot mailed the requisitions to the appropriate supply activity. Figure 9 is a facsimile of a typical listing of items ordered.

As the "marked up" lists were received, data were tabulated as necessary to achieve the objectives. Table 3 and Figures 10 and 11 summarize and graphically display the results of the survey.

Limitations known to exist in the survey were:

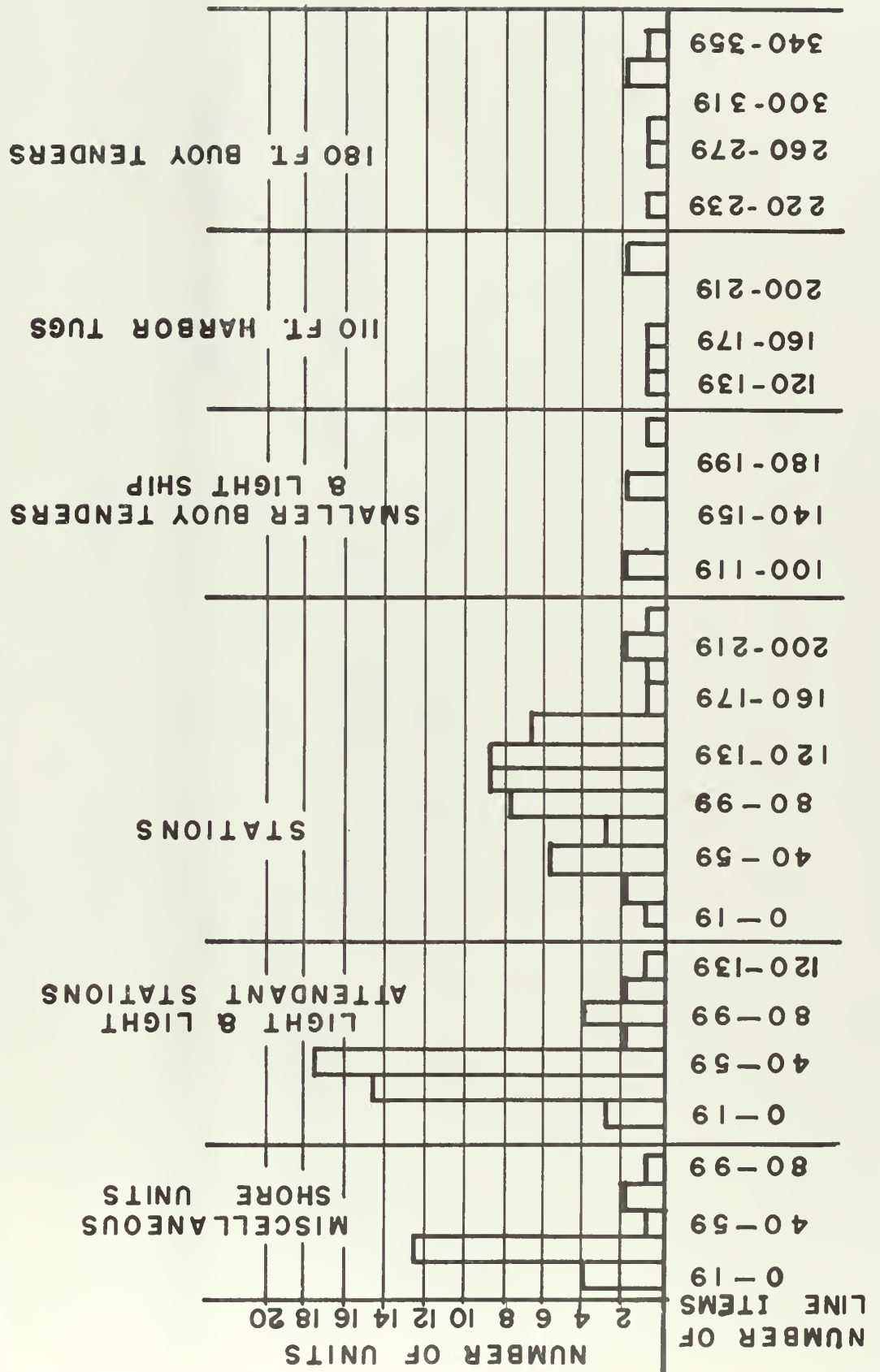
TABLE 3

NUMBER OF REQUISITIONS COMPLETED WITHIN THIRTY DAYS
OF SUBMISSION TO SUPPLY ACTIVITY

Class of Unit	COAST GUARD		GSA*		DSA/NAVY	
	Rec'd	Sub.	Rec'd	Sub.	Rec'd	Sub.
180 ft. buoy tenders	61	124	225	325	307	558
Smaller buoy tenders & lightship	72	85	170	223	169	323
110 ft. harbor tugs	36	60	99	115	199	309
Stations	567	671	1805	2440	564	898
Light & light attendant stations	177	208	235	453	98	153
Miscellaneous shore units	<u>110</u>	<u>160</u>	<u>187</u>	<u>277</u>	<u>25</u>	<u>34</u>
Totals	1023	1308	2721	3833	1362	2275
% received within thirty days	77		71		64	

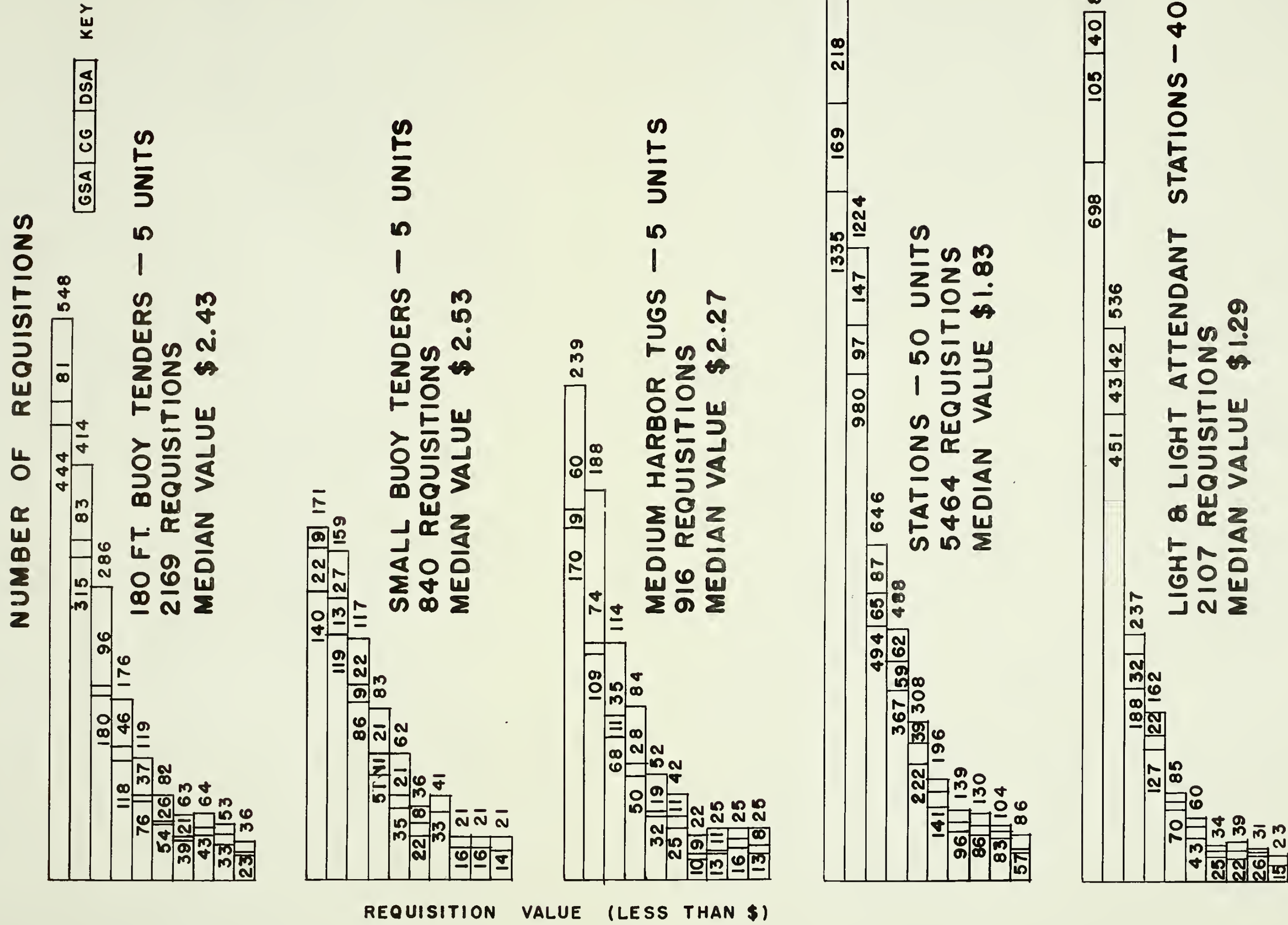
*Requisitions submitted to General Services Administration, Chicago after August 20, 1966 not included in this table.

FIGURE 10
UNITS IN EACH CLASS GROUPED BY THE
NUMBER OF LINE ITEMS ORDERED



55
FIGURE II

DISTRIBUTION OF REQUISITIONS BY
DOLLAR VALUE AND SUPPLY SOURCE



1) Region 5, General Services Administration began moving the location of their warehouse during the survey. Only those requisitions submitted to that source before the disruption were considered in arriving at the delivery time; and 2) Coast Guard Supply Depot, Great Lakes was in process of phasing out of operation. This may have affected the delivery time of Coast Guard stocked items. No factor has been applied to compensate for that.

APPENDIX II

SURVEY OF DISTRICT OFFICES

A questionnaire was circulated to each district office to find out more about the way each district supports its units and their evaluation of service from sources external to the Coast Guard.

Table 4 shows the results of selected information from the survey. The First District did not reply to the questionnaire. Information listed for that district was obtained from the survey of supply depots.

It is interesting to note that the Seventh Coast Guard District has achieved probably the most liberal policy of any district. Local units submit MILSTRIP requisitions to the Supply Depot Miami Beach if material is stocked there. If the item is not stocked or for units outside the local area, the unit submits the requisition directly to the General Services Administration for items carried by them and to the Defense Supply Agency/Navy for items carried by them. The Seventh relies on the unit to use the catalogs to identify needs. Since about eighty per cent of the allocation unit's needs are available from General Services Administration, this probably does not place an undue burden on the allocation unit. Units outside the continental limits in the Seventh use slightly different procedures.

TABLE 4

COMPARISON OF SUPPLY OPERATIONS IN COAST GUARD DISTRICTS

DISTRICTS WITHOUT A COAST GUARD SUPPLY DEPOT									
DISTRICT	SUPPLY DEPOT LOCATION	USE CONREQ	REQ'N SCREENED BY	PERSONNEL SCREENING	PRIMARY SUPPORT	SIGNIFICANT PROBLEMS WITH			EVALUATION OF EXTERNAL SUPPORT
						U/I	DEL'VY	ST'K OUTS	
1	BOSTON, MASS.	YES	SUPPLY DEPOT						
2	NONE	NO	DISTRICT OFFICE	1 GS4 1 SK3	GSA	NO	NO	NO	PROBLEMS FEW AND NON-RECURRING IN NATURE. ADEQUATE SERVICE FROM ALL SUPPLIERS, BUT GSA A BIT ABOVE OTHERS DUE TO PROXIMITY.
3	NONE	NO	DISTRICT OFFICE	1 GS4 1 GS5	GSA	YES	NO	NO	BEST SERVICE FROM GSA. THE FEELING HERE AND IN ALL FIELD UNITS IS, "IF AVAILABLE FROM GSA, GET IT THERE AND FORGET THE NAVY."
5	PORTSMOUTH, VA.	YES	SUPPLY DEPOT						
7	MIAMI BEACH, FLA. AND SAN JUAN, P. R.	NO	NOT SCREENED			YES	NO	NO	ALLOCATION UNITS SUBMIT DIRECT TO EXTERNAL SOURCES. ONCE IN A WHILE WE HAVE A PROBLEM WITH ISSUES IN SMALLER QUANTITIES (LESS THAN STANDARD PACKS) TO SMALLER UNITS, I.E. LIGHT BULBS FROM GSA.
8	NEW ORLEANS, LA.	YES	SUPPLY DEPOT						
9	NONE	YES	DISTRICT OFFICE	2 SK1	GSA	NO	YES	NO	BASICALLY GETTING GOOD SUPPORT. (A LATER SURVEY SHOWED NO PROBLEMS WITH DELIVERY TIMES FROM GSA.)
11	NONE	YES (LOCAL NAVY)	DISTRICT OFFICE	NO SPECIAL	GSA NAVY SER-MART	NO	NO	NO	UNITS GO DIRECTLY TO LOCAL NAVY SERV-MARTS. LOCAL NAVY SUPPORT OUT- STANDING. GSA EXCELLENT.
12	NONE	NO	CG AT NSC OAKLAND	1 SK2	GSA	NO	YES	NO	GSA RUNNING ABOUT 3 WEEKS BEHIND ON MANY ITEMS; OTHERWISE NO PROBLEMS.
13	SEATTLE, WASH.	NO	SUPPLY DEPOT						
14	HONOLULU, HAWAII	YES	SUPPLY DEPOT						DISTRICT USES OTHER GOVERNMENT AGENCIES EXTENSIVELY WHEN COAST GUARD UNITS ARE LOCATED NEARBY.
17	KETCHIKAN, ALASKA	YES	NOT SCREENED						DISTRICT USES OTHER GOVERNMENT AGENCIES EXTENSIVELY WHEN COAST GUARD UNITS ARE LOCATED NEARBY. SOME UNITS SUBMIT DIRECTLY TO COAST GUARD SUPPLY DEPOT SEATTLE AND TO GSA SEATTLE.



APPENDIX III

SURVEY OF SUPPLY DEPOTS

A questionnaire was circulated to all Coast Guard supply depots. The purpose was to find out more about the supply depots and their operations.

Table 5 summarizes some of the information and the balance is discussed herein. Coast Guard Supply Depot, San Juan did not respond to the questionnaire, therefore no information is included for it.

All supply depots report that their main goal or objective is to help the small unit with personnel untrained in supply procedures. This is expressed in a variety of ways such as: maximum support with the minimum administration on the unit's part. The supply depots feel the district and Headquarters could do several things to help attain this goal. Districts could:

1. Provide machine time to "massage" usage data of items ordered.
2. Let supply depot personnel vice district personnel make liaison trips to small units because the lower ranks from supply depot put unit's personnel more at ease to discuss problems. (The writer has experienced some success using this approach).
3. Improve coordination and planning between district

APPENDIX III

REPORT OF JAMES T. HARRIS

The following report was prepared in all cases where the
reporter has been able to find out how the work was done
and the results obtained.

The following is a summary of the information and the
results obtained in the various cases. The first case is
the one in which the work was done in the most complete
manner and the results were the most satisfactory. The
other cases are in which the work was done in a less
complete manner and the results were less satisfactory.

All cases were reported in the same manner and the
results were the same. The first case is the one in
which the work was done in the most complete manner
and the results were the most satisfactory. The other
cases are in which the work was done in a less
complete manner and the results were less satisfactory.
The results were the same in all cases and the work
was done in the same manner in all cases.

I. The first case is the one in which the work
was done in the most complete manner and the results
were the most satisfactory.

2. The second case is the one in which the work
was done in a less complete manner and the results
were less satisfactory. The work was done in the same
manner as in the first case and the results were the
same.

3. The third case is the one in which the work
was done in a less complete manner and the results
were less satisfactory. The work was done in the same
manner as in the first case and the results were the
same.

TABLE 5

COMPARISON OF OPERATIONS AT COAST GUARD SUPPLY DEPOTS

COAST GUARD SUPPLY DEPOT	PERSONNEL ALLOWANCE	SQ. FT. OF HQCM STORAGE	FREQUENCY HQCM ISSUES	% OF ISSUES TO SUB-ALLOTMENT UNITS	DELIVER TO UNIT		SUPPORT BASE		DUPLICATE STOCKS OF GSA AND DSA			AIDS TO NAVIGATION		# ITEMS STOCKED CONTROLLED BY EOQ CRITERIA	AVERAGE DELIVERY TIME AFTER RECEIPT OF REQUISITION	TOTAL # OF ALL ITEMS CARRIED AS OF 1/1/66
					SCHEDULED	# PERSONNEL INVOLVED	% OF ISSUES TO BASE	% OF STOCK FUND FOR BASE	% OF ITEMS STOCKED	WHY	ANY SURVEYS	# OF ITEMS STOCKED	FREQUENCY OF EMERGENCY ISSUES			
BOSTON, MASS.	38	10,000 EST.	1/ WEEK	10%	YES	4	15% APPX	20% APPX	60% APPX	UNIT OF ISSUE. MAJORITY OF SUPPLIES FROM ONE PLACE.	NO	300 APPX	1/ WEEK	1,500 APPX	18 DAYS	4,326
PORTSMOUTH, VA.	37	1,000	8-10/ YEAR	11%	YES	2	15%	20%	80%	DO PLANNING FOR REPLENISHMENT FOR SMALL UNITS.	NO	600 EST.	50/ WEEK	1,500	14 DAYS	5,800
MIAMI BEACH, FLA.	20	1,000	1/ TWO WEEKS	5%	YES	-	NOT GIVEN		25%	SUPPORT TO LOCAL UNITS. MOST UNITS GO DIRECT TO GSA AND DSA.	NO	376	2-3/ MONTH	502	8 DAYS	4,632
NEW ORLEANS, LA.	34	2,000	1/ MONTH	30%	AS LOAD REQUIRES	1	NO BASE		80%	BECAUSE ORDER CASE LOTS TO AVOID PAPERWORK BETWEEN SMALL UNITS AND OTHER AGENCIES.	NO	MANY	30/ MONTH	10%	7-12 DAYS	NOT REPORTED (10,371 ON CG-3225)
SEATTLE, WASH.	21	7,485	2/ MONTH	5%	ONLY LOCAL DELIVERY	1	10%	10%	60%	STATIONERY LOCKER FOR DISTRICT OFFICE AFFECTS THIS.	NO	118	1/ MONTH EST.	270	3-5 DAYS	1,985
HONOLULU, HAWAII	28	2,000	1/ MONTH	5%	AS LOAD REQUIRES	1	30%	NONE	1%	STOCKED ONLY WHEN NOT AVAILABLE IN TIME FRAMES FROM OTHER AGENCIES.	NO	150 EST.	VERY FEW	28	2 1/2 DAYS + INTRANSIT	NOT REPORTED (1,567 ON CG-3225)
KETCHIKAN, ALASKA	18	4	2/ YEAR	40%	ONLY LOCAL BY FORK LIFT		27%	30%	80%	DELIVERY TIMES DUE TO DISTANCE.	NO	114	3/ WEEK	770	4 DAYS + INTRANSIT	1,644

divisions to permit reasonable leadtime on material requirements for scheduled programs.

4. Require all district units to use supply depot for Coast Guard cognizance items.

Headquarters could:

1. Give field information on planned procedures and let them comment on them. (This seems very logical since the supply depot is the one who is going to bear the brunt of any problems during implementation).

2. Bring directives up to date so as not to conflict.

3. Give the supply depots more items to control using economic order quantity criteria.

The supply depots also commented on the new Small Units Shopping Guide. Very favorable as to format (picture type description) but "panned" it due to no stocking points given, listing of old, incorrect stock numbers and unit of issue, and the failure to distribute it to buoy tenders. (The Guide was not distributed to units with supply personnel assigned).

To get some indication of planning and forward thinking done by supply depots, they were asked to comment on changes they foresee in their operations for the next two years and the effect they anticipate from the change in stocking policy stated in paragraph 3A03001 Comptroller Manual in amendment 38.

The replies were very disappointing. They generally indicated a great lack of thinking about the future. Out of the possible fourteen replies to those two questions six were left blank, said "none" or some comment such as "who knows?"; two units had not received the amendment; and six answers of any

content were given. Apparently, only one supply depot of those receiving amendment 38 had really recognized the implications of enforcement of the new stocking policy by Headquarters. The Commanding Officer of that supply depot had analyzed the changes and informed the district of the possible impact resulting therefrom. Two other supply depots felt it would probably reduce their operations somewhat.

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